

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 1394

AN ACT

2 To repeal sections 32.087, 94.270, 135.481,
3 135.750, 137.100, 137.101, 137.115, 137.298,
4 143.081, 143.121, 143.241, 143.431, 143.782,
5 144.030, 144.083, 144.157, 144.615, 301.025,
6 and 644.032, RSMo, and to enact in lieu
7 thereof twenty-one new sections relating to
8 tax collection, with an effective date for
9 certain sections and with an emergency
10 clause.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
12 AS FOLLOWS:

13 Section A. Sections 32.087, 94.270, 135.481, 135.750,
14 137.100, 137.101, 137.115, 137.298, 143.081, 143.121, 143.241,
15 143.431, 143.782, 144.030, 144.083, 144.157, 144.615, 301.025,
16 and 644.032, RSMo, are repealed and twenty-one new sections
17 enacted in lieu thereof, to be known as sections 32.087, 94.270,
18 135.481, 135.751, 137.078, 137.100, 137.101, 137.115, 137.298,
19 143.081, 143.121, 143.241, 143.431, 143.782, 144.030, 144.083,
20 144.157, 144.615, 301.025, 644.032, and 1, to read as follows:

21 32.087. 1. Within ten days after the adoption of any
22 ordinance or order in favor of adoption of any local sales tax

1 authorized under the local sales tax law by the voters of a
2 taxing entity, the governing body or official of such taxing
3 entity shall forward to the director of revenue by United States
4 registered mail or certified mail a certified copy of the
5 ordinance or order. The ordinance or order shall reflect the
6 effective date thereof.

7 2. Any local sales tax so adopted shall become effective on
8 the first day of the second calendar quarter after the director
9 of revenue receives notice of adoption of the local sales tax,
10 except as provided in subsection 18 of this section.

11 3. Every retailer within the jurisdiction of one or more
12 taxing entities which has imposed one or more local sales taxes
13 under the local sales tax law shall add all taxes so imposed
14 along with the tax imposed by the sales tax law of the state of
15 Missouri to the sale price and, when added, the combined tax
16 shall constitute a part of the price, and shall be a debt of the
17 purchaser to the retailer until paid, and shall be recoverable at
18 law in the same manner as the purchase price. The combined rate
19 of the state sales tax and all local sales taxes shall be the sum
20 of the rates, multiplying the combined rate times the amount of
21 the sale.

22 4. The brackets required to be established by the director
23 of revenue under the provisions of section 144.285, RSMo, shall
24 be based upon the sum of the combined rate of the state sales tax

1 and all local sales taxes imposed under the provisions of the
2 local sales tax law.

3 5. The ordinance or order imposing a local sales tax under
4 the local sales tax law shall impose upon all sellers a tax for
5 the privilege of engaging in the business of selling tangible
6 personal property or rendering taxable services at retail to the
7 extent and in the manner provided in sections 144.010 to 144.525,
8 RSMo, and the rules and regulations of the director of revenue
9 issued pursuant thereto; except that the rate of the tax shall be
10 the sum of the combined rate of the state sales tax or state
11 highway use tax and all local sales taxes imposed under the
12 provisions of the local sales tax law.

13 6. On and after the effective date of any local sales tax
14 imposed under the provisions of the local sales tax law, the
15 director of revenue shall perform all functions incident to the
16 administration, collection, enforcement, and operation of the
17 tax, and the director of revenue shall collect in addition to the
18 sales tax for the state of Missouri all additional local sales
19 taxes authorized under the authority of the local sales tax law.
20 All local sales taxes imposed under the local sales tax law
21 together with all taxes imposed under the sales tax law of the
22 state of Missouri shall be collected together and reported upon
23 such forms and under such administrative rules and regulations as
24 may be prescribed by the director of revenue.

1 7. All applicable provisions contained in sections 144.010
2 to 144.525, RSMo, governing the state sales tax and section
3 32.057, the uniform confidentiality provision, shall apply to the
4 collection of any local sales tax imposed under the local sales
5 tax law except as modified by the local sales tax law.

6 8. All exemptions granted to agencies of government,
7 organizations, persons and to the sale of certain articles and
8 items of tangible personal property and taxable services under
9 the provisions of sections 144.010 to 144.525, RSMo, as these
10 sections now read and as they may hereafter be amended, it being
11 the intent of this general assembly to ensure that the same sales
12 tax exemptions granted from the state sales tax law also be
13 granted under the local sales tax law, are hereby made applicable
14 to the imposition and collection of all local sales taxes imposed
15 under the local sales tax law.

16 9. The same sales tax permit, exemption certificate and
17 retail certificate required by sections 144.010 to 144.525, RSMo,
18 for the administration and collection of the state sales tax
19 shall satisfy the requirements of the local sales tax law, and no
20 additional permit or exemption certificate or retail certificate
21 shall be required; except that the director of revenue may
22 prescribe a form of exemption certificate for an exemption from
23 any local sales tax imposed by the local sales tax law.

24 10. All discounts allowed the retailer under the provisions

1 of the state sales tax law for the collection of and for payment
2 of taxes under the provisions of the state sales tax law are
3 hereby allowed and made applicable to any local sales tax
4 collected under the provisions of the local sales tax law.

5 11. The penalties provided in section 32.057 and sections
6 144.010 to 144.525, RSMo, for a violation of the provisions of
7 those sections are hereby made applicable to violations of the
8 provisions of the local sales tax law.

9 12. (1) For the purposes of any local sales tax imposed by
10 an ordinance or order under the local sales tax law, all sales,
11 except the sale of motor vehicles, trailers, boats, and outboard
12 motors, shall be deemed to be consummated at the place of
13 business of the retailer unless the tangible personal property
14 sold is delivered by the retailer or his agent to an out-of-state
15 destination. In the event a retailer has more than one place of
16 business in this state which participates in the sale, the sale
17 shall be deemed to be consummated at the place of business of the
18 retailer where the initial order for the tangible personal
19 property is taken, even though the order must be forwarded
20 elsewhere for acceptance, approval of credit, shipment or
21 billing. A sale by a retailer's agent or employee shall be
22 deemed to be consummated at the place of business from which he
23 works.

24 (2) For the purposes of any local sales tax imposed by an

1 ordinance or order under the local sales tax law, all sales of
2 motor vehicles, trailers, boats, and outboard motors shall be
3 deemed to be consummated at the residence of the purchaser and
4 not at the place of business of the retailer, or the place of
5 business from which the retailer's agent or employee works.

6 (3) For the purposes of any local tax imposed by an
7 ordinance or under the local sales tax law on charges for mobile
8 telecommunications services, all taxes of mobile
9 telecommunications service shall be imposed as provided in the
10 Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116
11 through 124, as amended.

12 13. Local sales taxes imposed pursuant to the local sales
13 tax law on the purchase and sale of motor vehicles, trailers,
14 boats, and outboard motors shall not be collected and remitted by
15 the seller, but shall be collected by the director of revenue at
16 the time application is made for a certificate of title, if the
17 address of the applicant is within a taxing entity imposing a
18 local sales tax under the local sales tax law.

19 14. The director of revenue and any of his deputies,
20 assistants and employees who have any duties or responsibilities
21 in connection with the collection, deposit, transfer,
22 transmittal, disbursement, safekeeping, accounting, or recording
23 of funds which come into the hands of the director of revenue
24 under the provisions of the local sales tax law shall enter a

1 surety bond or bonds payable to any and all taxing entities in
2 whose behalf such funds have been collected under the local sales
3 tax law in the amount of one hundred thousand dollars for each
4 such tax; but the director of revenue may enter into a blanket
5 bond covering himself and all such deputies, assistants and
6 employees. The cost of any premium for such bonds shall be paid
7 by the director of revenue from the share of the collections
8 under the sales tax law retained by the director of revenue for
9 the benefit of the state.

10 15. The director of revenue shall annually report on his
11 management of each trust fund which is created under the local
12 sales tax law and administration of each local sales tax imposed
13 under the local sales tax law. He shall provide each taxing
14 entity imposing one or more local sales taxes authorized by the
15 local sales tax law with a detailed accounting of the source of
16 all funds received by him for the taxing entity. Notwithstanding
17 any other provisions of law, the state auditor shall annually
18 audit each trust fund. A copy of the director's report and
19 annual audit shall be forwarded to each taxing entity imposing
20 one or more local sales taxes.

21 16. Within the boundaries of any taxing entity where one or
22 more local sales taxes have been imposed, if any person is
23 delinquent in the payment of the amount required to be paid by
24 him under the local sales tax law or in the event a determination

1 has been made against him for taxes and penalty under the local
2 sales tax law, the limitation for bringing suit for the
3 collection of the delinquent tax and penalty shall be the same as
4 that provided in sections 144.010 to 144.525, RSMo. Where the
5 director of revenue has determined that suit must be filed
6 against any person for the collection of delinquent taxes due the
7 state under the state sales tax law, and where such person is
8 also delinquent in payment of taxes under the local sales tax
9 law, the director of revenue shall notify the taxing entity [to
10 which delinquent taxes are due under the local sales tax law by
11 United States registered mail or certified mail at least ten days
12 before turning the case over to the attorney general. The taxing
13 entity, acting through its attorney, may join in such suit as a
14 party plaintiff to seek a judgment for the delinquent taxes and
15 penalty due such taxing entity.] in the event any person fails or
16 refuses to pay the amount of any local sales tax due[, the
17 director of revenue shall promptly notify the taxing entity to
18 which the tax would be due] so that appropriate action may be
19 taken by the taxing entity.

20 17. Where property is seized by the director of revenue
21 under the provisions of any law authorizing seizure of the
22 property of a taxpayer who is delinquent in payment of the tax
23 imposed by the state sales tax law, and where such taxpayer is
24 also delinquent in payment of any tax imposed by the local sales

1 tax law, the director of revenue shall permit the taxing entity
2 to join in any sale of property to pay the delinquent taxes and
3 penalties due the state and to the taxing entity under the local
4 sales tax law. The proceeds from such sale shall first be
5 applied to all sums due the state, and the remainder, if any,
6 shall be applied to all sums due such taxing entity.

7 18. If a local sales tax has been in effect for at least
8 one year under the provisions of the local sales tax law and
9 voters approve reimposition of the same local sales tax at the
10 same rate at an election as provided for in the local sales tax
11 law prior to the date such tax is due to expire, the tax so
12 reimposed shall become effective the first day of the first
13 calendar quarter after the director receives a certified copy of
14 the ordinance, order or resolution accompanied by a map clearly
15 showing the boundaries thereof and the results of such election,
16 provided that such ordinance, order or resolution and all
17 necessary accompanying materials are received by the director at
18 least thirty days prior to the expiration of such tax. Any
19 administrative cost or expense incurred by the state as a result
20 of the provisions of this subsection shall be paid by the city or
21 county reimposing such tax.

22 94.270. 1. The mayor and board of aldermen shall have
23 power and authority to regulate and to license and to levy and
24 collect a license tax on auctioneers, druggists, hawkers,

1 peddlers, banks, brokers, pawnbrokers, merchants of all kinds,
2 grocers, confectioners, restaurants, butchers, taverns, hotels,
3 public boardinghouses, billiard and pool tables and other tables,
4 bowling alleys, lumber dealers, real estate agents, loan
5 companies, loan agents, public buildings, public halls, opera
6 houses, concerts, photographers, bill posters, artists, agents,
7 porters, public lecturers, public meetings, circuses and shows,
8 for parades and exhibitions, moving picture shows, horse or
9 cattle dealers, patent right dealers, stockyards, inspectors,
10 gaugers, mercantile agents, gas companies, insurance companies,
11 insurance agents, express companies, and express agents,
12 telegraph companies, light, power and water companies, telephone
13 companies, manufacturing and other corporations or institutions,
14 automobile agencies, and dealers, public garages, automobile
15 repair shops or both combined, dealers in automobile accessories,
16 gasoline filling stations, soft drink stands, ice cream stands,
17 ice cream and soft drink stands combined, soda fountains, street
18 railroad cars, omnibuses, drays, transfer and all other vehicles,
19 traveling and auction stores, plumbers, and all other business,
20 trades and avocations whatsoever, and fix the rate of carriage of
21 persons, drayage and cartage of property; and to license, tax,
22 regulate and suppress ordinaries, money brokers, money changers,
23 intelligence and employment offices and agencies, public
24 masquerades, balls, street exhibitions, dance houses, fortune

1 tellers, pistol galleries, corn doctors, private venereal
2 hospitals, museums, menageries, equestrian performances,
3 horoscopic views, telescopic views, lung testers, muscle
4 developers, magnifying glasses, ten pin alleys, ball alleys,
5 billiard tables, pool tables and other tables, theatrical or
6 other exhibitions, boxing and sparring exhibitions, shows and
7 amusements, tippling houses, and sales of unclaimed goods by
8 express companies or common carriers, auto wrecking shops and
9 junk dealers; to license, tax and regulate hackmen, draymen,
10 omnibus drivers, porters and all others pursuing like
11 occupations, with or without vehicles, and to prescribe their
12 compensation; and to regulate, license and restrain runners for
13 steamboats, cars, and public houses; and to license ferries, and
14 to regulate the same and the landing thereof within the limits of
15 the city, and to license and tax auto liveries, auto drays and
16 jitneys.

17 2. Notwithstanding any other law to the contrary, no city
18 of the fourth classification with more than eight hundred but
19 less than nine hundred inhabitants and located in any county with
20 a charter form of government and with more than one million
21 inhabitants shall levy or collect a license fee on hotels or
22 motels in an amount in excess of twenty-one dollars and fifty
23 cents per room per year. No hotel or motel in such city shall be
24 required to pay a license fee in excess of such amount, and any

1 license fee in such city that exceeds the limitation of this
2 subsection shall be automatically reduced to comply with this
3 subsection.

4 3. Notwithstanding any other law to the contrary, no city
5 of the fourth classification with more than four thousand one
6 hundred but less than four thousand two hundred inhabitants and
7 located in any county with a charter form of government and with
8 more than one million inhabitants shall levy or collect a license
9 fee on hotels or motels in an amount in excess of eleven dollars
10 per room per year. No hotel or motel in such city shall be
11 required to pay a license fee in excess of such amount, and any
12 license fee in such city that exceeds the limitation of this
13 subsection shall be automatically reduced to comply with this
14 subsection.

15 135.481. 1. (1) Any taxpayer who incurs eligible costs
16 for a new residence located in a distressed community or within a
17 census block group as described in subdivision (10) of section
18 135.478, or for a multiple unit condominium described in
19 subdivision (2) of this subsection, shall receive a tax credit
20 equal to fifteen percent of such costs against his or her tax
21 liability. The tax credit shall not exceed forty thousand
22 dollars per new residence in any ten-year period.

23 (2) For the purposes of this section, a "multiple unit
24 condominium" is one that is intended to be owner occupied, which

1 is constructed on property subject to an industrial development
2 contract as defined in section 100.310, RSMo, and which lies
3 within an area with a city zoning classification of urban
4 redevelopment district established after January 1, 2000, and
5 before December 31, 2001, and which is constructed in connection
6 with the qualified rehabilitation of a structure more than ninety
7 years old eligible for the historic structures rehabilitation tax
8 credit described in sections 253.545 to 253.559, RSMo, and is
9 under way by January 1, 2000, and completed by January 1, 2002.

10 2. Any taxpayer who incurs eligible costs for a new
11 residence located within a census block as described in
12 subdivision (6) of section 135.478 shall receive a tax credit
13 equal to fifteen percent of such costs against his or her tax
14 liability. The tax credit shall not exceed twenty-five thousand
15 dollars per new residence in any ten-year period.

16 3. Any taxpayer who is not performing substantial
17 rehabilitation and who incurs eligible costs for rehabilitation
18 of an eligible residence or a qualifying residence shall receive
19 a tax credit equal to twenty-five percent of such costs against
20 his or her tax liability. The minimum eligible costs for
21 rehabilitation of an eligible residence shall be ten thousand
22 dollars. The minimum eligible costs for rehabilitation of a
23 qualifying residence shall be five thousand dollars. The tax
24 credit shall not exceed twenty-five thousand dollars in any

1 ten-year period. Any taxpayer who has obtained approvals of
2 multiple approvals of multiple phase projects before December 31,
3 2004, and who incurs eligible costs for a new residence in an
4 area described in subsection 2 of this section which is
5 constructed on property subject to the industrial development
6 provisions of section 100.300 to 100.600, RSMo, and which lies
7 within an area with a city zoning classification of urban
8 development district, may reallocate the tax credits within the
9 phases in an amount not to exceed thirty-five percent of such
10 costs up to seventy thousand dollars per residence in any ten-
11 year period.

12 4. Any taxpayer who incurs eligible costs for substantial
13 rehabilitation of a qualifying residence shall receive a tax
14 credit equal to thirty-five percent of such costs against his or
15 her tax liability. The minimum eligible costs for substantial
16 rehabilitation of a qualifying residence shall be ten thousand
17 dollars. The tax credit shall not exceed seventy thousand
18 dollars in any ten-year period.

19 5. A taxpayer shall be eligible to receive tax credits for
20 new construction or rehabilitation pursuant to only one
21 subsection of this section.

22 6. No tax credit shall be issued pursuant to this section
23 for any structure which is in violation of any municipal or
24 county property, maintenance or zoning code.

1 7. No tax credit shall be issued pursuant to sections
2 135.475 to 135.487 for the construction or rehabilitation of
3 rental property.

4 135.751. 1. As used in this section, the following terms
5 mean:

6 (1) "Accredited film or video production certificate", a
7 certificate issued by the department of economic development
8 certifying that the film or video production is an accredited
9 production;

10 (2) "Accredited production", a film or video production
11 produced in this state and accredited by the department of
12 economic development as determined by rule or regulation;

13 (3) "Expenditure", any amount spent within this state on
14 the following items by a production corporation for an accredited
15 production, to the extent that the expenditures are reasonable
16 under the circumstances:

17 (a) The salary or wages directly attributable to the
18 production that are incurred by the production corporation
19 relating to services rendered in this state by residents of this
20 state for the stages of production of the accredited production,
21 from the final script stage to the end of the post-production
22 stage, and paid by the corporation in the taxable year for which
23 the credit is being claimed to employees of the corporation who
24 were residents of this state at the time the payments were made;

1 (b) That portion of the remuneration, other than salary or
2 wages, directly attributable to the accredited production,
3 relating to services personally rendered in this state by
4 residents of this state to the production corporation for the
5 stages of production of the accredited production, from the final
6 script stage to the end of the post-production stage, and that is
7 paid by the production corporation to a person or a partnership
8 that:

9 a. Carries on a business in this state through a permanent
10 establishment;

11 b. Resides in this state at the time the amount is paid and
12 who is not an employee of the production corporation, to the
13 extent that the amount paid is attributable to and does not
14 exceed the salary or wages paid by the individual to the
15 individual's employees at a time when they were residents of this
16 state for personally rendering services in this state for the
17 accredited production;

18 c. Is another corporation that is a taxable Missouri
19 corporation, to the extent that the amount paid is attributable
20 to and does not exceed the salary or wages paid to the other
21 corporation's employees at a time when they were residents of
22 this state for personally rendering services in this state for
23 the accredited production;

24 d. Is another corporation that is a taxable Missouri

1 corporation, all the issued and outstanding shares of the capital
2 stock of which, except directors' qualifying shares, belong to an
3 individual who was a resident of this state and the activities of
4 which consist principally of the provision of the individual's
5 services, to the extent that the amount paid is attributable to
6 services rendered personally in this state by the individual for
7 the accredited production; or

8 e. Is a partnership, to the extent that the amount paid:

9 (i) Is attributable to services personally rendered for the
10 accredited production by an individual who is a resident in this
11 state and who is a member of the partnership; or

12 (ii) Is attributable to and does not exceed the salary or
13 wages paid by the partnership to its employees at a time when
14 they were residents of this state for personally rendering
15 services in this state for the accredited production.

16 "Expenditure" does not apply to an amount that is not a
17 production cost, including amounts relating to advertising,
18 marketing, promotion, market research, or an amount related in
19 any way to another film or video production or accredited
20 production;

21 (4) "Production corporation", any corporation that provides
22 film or video production or film or video production services and
23 that:

1 (a) Owns the copyright in the accredited production
2 throughout the period during which the accredited production is
3 produced in this state; or

4 (b) Has contracted directly with the owner of the copyright
5 in the accredited production to provide production services
6 related to the accredited production, where the owner of the
7 copyright is not an eligible production corporation with respect
8 to the accredited production.

9 For purposes of this subdivision, "production corporation" does
10 not include a corporation that is:

11 (a) Exempt, in whole or in part, from federal or Missouri
12 income tax; or

13 (b) Controlled directly or indirectly in any manner
14 whatever by one or more persons all or part of whose taxable
15 income is exempt from federal or Missouri income tax;

16 (5) "Rental costs", the amounts paid for renting film
17 production equipment and vehicles located in this state and owned
18 by any person or entity residing in this state for the production
19 of an accredited production.

20 2. For purposes of this section:

21 (1) "Remuneration" does not include remuneration determined
22 by reference to profits or revenues;

23 (2) "Salary or wages" does not include any agreement to

1 issue securities to any employee or employee stock options or an
2 amount determined by reference to profits or revenues;

3 (3) Services that relate to the post-production stage of
4 the accredited production include only the services that are
5 rendered at that stage by a resident of this state who performs
6 the duties of animation cameraman, assistant colorist, assistant
7 mixer, assistant sound-effects technician, boom operator,
8 colorist, computer graphics designer, cutter, developing
9 technician, director of post production, dubbing technician,
10 encoding technician, inspection technician, clean up, mixer,
11 optical effects technician, picture editor, printing technician,
12 projectionist, recording technician, senior editor, sound editor,
13 sound-effects technician, special effects editor, subtitle
14 technician, timer, video-film recorder operator, videotape
15 operator, or by a person who performs a prescribed post-
16 production duty.

17 3. For all tax years beginning on or after January 1, 2004,
18 any production corporation engaging in an accredited production
19 may receive a credit against the tax otherwise due under chapter
20 143, RSMo, excluding withholding tax imposed by sections 143.191
21 to 143.265, RSMo, on the income derived from the accredited
22 production. The amount of the credit authorized under this
23 section shall be an amount equal to sixteen percent of the total
24 amount of the expenditures made during the tax year in which the

1 accredited production is produced and eight percent of the total
2 amount spent on rental costs incurred for the production of an
3 accredited production during the tax years in which the
4 accredited production is produced. The credit allowed in this
5 section shall be claimed as authorized in subsection 4 of this
6 section, and shall not be claimed for the tax years in which the
7 expenditures are made and the rental costs incurred.

8 4. The amount of the tax credit claimed under this section
9 shall not exceed the amount of the taxpayer's state tax liability
10 for the taxable year for which the credit is claimed. The credit
11 shall be claimed by the taxpayer in any tax year after the tax
12 years in which the accredited production was produced and in
13 which expenditures are made or rental costs are incurred for the
14 subsequent accredited production in this state by the production
15 corporation, provided, that the subsequent accredited production
16 shall commence within ten years of the initial accredited
17 production for which the expenditures were made and the rental
18 costs incurred. Any tax credit allowed under this section that
19 cannot be fully claimed in any taxable year the subsequent
20 accredited production is produced may be carried over to the
21 taxable years for which the production corporation claims a tax
22 credit under this section for other subsequent accredited
23 productions until the full credit has been claimed. No taxpayer
24 claiming a tax credit for expenditures or rental costs under this

1 section shall be eligible to claim the tax credit allowed in
2 section 135.750 for the same expenditures or rental costs, and no
3 person claiming a tax credit for any expenditures or rental costs
4 under section 135.750 shall be eligible to claim the tax credit
5 under this section for the same expenditures or rental costs.

6 5. Any taxpayer claiming a credit under this section shall
7 file the following as part of such taxpayer's tax return:

8 (1) A form prescribed by the department of economic
9 development containing prescribed information relating to the
10 accredited production;

11 (2) An accredited film or video production certificate
12 relating to the accredited production;

13 (3) A statement that the principal filming or taping of the
14 accredited production began before the end of the year; and

15 (4) Any documentation the department of economic
16 development deems necessary to confirm the taxpayer's eligibility
17 for the credit.

18 6. An accredited film or video production certificate may
19 be revoked by the department of economic development if:

20 (1) An omission or incorrect statement was made in the
21 application for a certificate for the purpose of obtaining the
22 certificate; or

23 (2) The production is not an accredited production.

1 No person or entity that has had an accredited film or video
2 production certificate revoked may claim any tax credit under
3 this section.

4 7. The director of the department of economic development
5 and the director of the department of revenue may promulgate
6 rules and regulations to administer and enforce this section.
7 Any rule or portion of a rule, as that term is defined in section
8 536.010, RSMo, that is created under the authority delegated in
9 this section shall become effective only if it complies with and
10 is subject to all of the provisions of chapter 536, RSMo, and, if
11 applicable, section 536.028, RSMo. This section and chapter 536,
12 RSMo, are nonseverable and if any of the powers vested with the
13 general assembly pursuant to chapter 536, RSMo, to review, to
14 delay the effective date, or to disapprove and annul a rule are
15 subsequently held unconstitutional, then the grant of rulemaking
16 authority and any rule proposed or adopted after August 28, 2004,
17 shall be invalid and void.

18 8. Pursuant to section 23.253, RSMo, of the Missouri Sunset
19 Act:

20 (1) The provisions of the new program authorized under this
21 section shall automatically sunset six years after the effective
22 date of this section unless reauthorized by an act of the general
23 assembly; and

24 (2) If such program is reauthorized, the program authorized

1 under this section shall automatically sunset twelve years after
2 the effective date of the reauthorization of this section; and

3 (3) This section shall terminate on September first of the
4 calendar year immediately following the calendar year in which
5 the program authorized under this section is sunset.

6 137.078. 1. For purposes of this section, the following
7 terms shall mean:

8 (1) "Analog equipment", all depreciable items of tangible
9 personal property that are used directly or indirectly in
10 broadcasting television shows and commercials through the use of
11 analog technology;

12 (2) "Applicable analog fraction", a fraction, the numerator
13 of which is the total number of analog television sets in the
14 United States for the immediately preceding calendar year and the
15 denominator of which is an amount representing the total combined
16 number of analog and digital television sets in the United States
17 for the immediately preceding calendar year. The applicable
18 analog fraction will be determined on an annual basis by the
19 Missouri Broadcasters Association;

20 (3) "Applicable digital fraction", a fraction, the
21 numerator of which is the total number of digital television sets
22 in the United States for the immediately preceding calendar year
23 and the denominator of which is an amount representing the total
24 combined number of analog and digital television sets in the

United States for the immediately preceding calendar year. The applicable digital fraction will be determined on an annual basis by the Missouri Broadcasters Association;

(4) "Applicable analog percentage", the following percentages for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
				<u>1%</u>
<u>2006</u>				<u>1%</u>
<u>2005</u>			<u>25%</u>	<u>1%</u>
<u>2004</u>		<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2003</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2002</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2001</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>2000</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>1999</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>1998</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>
<u>Prior</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>	<u>1%</u>

(5) "Digital equipment", all depreciable items of tangible personal property that are used directly or indirectly in broadcasting television shows and commercials through the use of digital technology;

(6) "Television broadcasters", all businesses that own, lease, or operate television broadcasting stations that transmit

1 television shows and commercials and that are required to be
2 licensed by the Federal Communications Commission to provide such
3 services;

4 (7) "Television broadcasting equipment", both analog
5 equipment and digital equipment.

6 2. For purposes of assessing all items of television
7 broadcasting equipment that are owned and used by television
8 broadcasters for purposes of broadcasting television shows and
9 commercials:

10 (1) The true value in money of all analog equipment shall
11 be determined by depreciating the historical cost of such
12 property using the depreciation tables provided in subdivision
13 (1) of subsection 3 of this section and multiplying the results
14 by the applicable analog percentage. The result of the second
15 computation is multiplied by the applicable analog fraction to
16 determine the true value in money of the analog equipment; and

17 (2) The true value in money of all digital equipment shall
18 be determined by depreciating the historical cost of such
19 property using the depreciation tables provided in subdivision
20 (2) of subsection 3 of this section and multiplying the results
21 by the applicable digital fraction to determine the true value in
22 money of the digital equipment.

23 3. For purposes of subsection 2 of this section, the
24 depreciation tables for determining the fair value in money of

television broadcasting equipment are as follows:

(1) For analog equipment, the following depreciation tables will apply for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
<u>2006</u>				<u>65%</u>
<u>2005</u>			<u>65%</u>	<u>45%</u>
<u>2004</u>		<u>65%</u>	<u>45%</u>	<u>30%</u>
<u>2003</u>	<u>65%</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>
<u>2002</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>2001</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>
<u>2000</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>
<u>1999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1998</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>Prior</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

(2) For digital equipment, the following depreciation tables will apply for the following years:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Year of Acquisition</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>	<u>Tax Year</u>
<u>2006</u>				<u>65%</u>
<u>2005</u>			<u>65%</u>	<u>45%</u>
<u>2004</u>		<u>65%</u>	<u>45%</u>	<u>30%</u>
<u>2003</u>	<u>65%</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>
<u>2002</u>	<u>45%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>

<u>2001</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>
<u>2000</u>	<u>20%</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>
<u>1999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>1998</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>
<u>Prior</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

137.100. The following subjects are exempt from taxation for state, county or local purposes:

(1) Lands and other property belonging to this state;

(2) Lands and other property belonging to any city, county or other political subdivision in this state, including market houses, town halls and other public structures, with their furniture and equipments, and on public squares and lots kept open for health, use or ornament;

(3) Nonprofit cemeteries;

(4) The real estate and tangible personal property which is used exclusively for agricultural or horticultural societies organized in this state, including not-for-profit agribusiness associations;

(5) All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but held or used as investment even

1 though the income or rentals received therefrom is used wholly
2 for religious, educational or charitable purposes;

3 (6) Household goods, furniture, wearing apparel and
4 articles of personal use and adornment, as defined by the state
5 tax commission, owned and used by a person in his home or
6 dwelling place; [and]

7 (7) Motor vehicles leased for a period of at least one year
8 to this state or to any city, county, or political subdivision;
9 and

10 (8) Real or personal property leased or otherwise
11 transferred by an interstate compact agency created pursuant to
12 sections 70.370 to 70.430, RSMo, or sections 238.010 to 238.100,
13 RSMo, to another for which or whom such property is not exempt
14 when immediately after the lease or transfer, the interstate
15 compact agency enters into a leaseback or other agreement that
16 directly or indirectly gives such interstate compact agency a
17 right to use, control, and possess the property; provided,
18 however, that in the event of a conveyance of such property, the
19 interstate compact agency must retain an option to purchase the
20 property at a future date or, within the limitations period for
21 reverters, the property must revert back to the interstate
22 compact agency. Property will no longer be exempt under this
23 subdivision in the event of a conveyance as of the date, if any,
24 when:

1 (a) The right of the interstate compact agency to use,
2 control, and possess the property is terminated;

3 (b) The interstate compact agency no longer has an option
4 to purchase or otherwise acquire the property; and

5 (c) There is no provisions for reverter of the property
6 within the limitation period for reverters.

7 137.101. 1. The activities of nationally affiliated
8 fraternal, benevolent, veteran, or service organizations which
9 promote good citizenship, humanitarian activities, or improve the
10 physical, mental, and moral condition of an indefinite number of
11 people [are] or purposes purely charitable within the meaning of
12 subsection 1 of section 6 of article X of the constitution and
13 local assessing authorities may exempt such portion of the real
14 and personal property of such organizations as the assessing
15 authority may determine is utilized in purposes purely charitable
16 from the assessment, levy, and collection of taxes.

17 2. If, at any time, an assessor finally determines, after
18 any and all hearings or rightful appeals, that personal property,
19 upon which an organization would otherwise owe taxes but for the
20 provisions of subsection 1 of this section or subdivision (5) of
21 section 137.100, is not used for purposes purely charitable, or
22 for purposes described in subdivision (5) of section 137.100,
23 then the assessor shall notify the department of revenue of such
24 final determination within thirty days.

1 137.115. 1. All other laws to the contrary
2 notwithstanding, the assessor or the assessor's deputies in all
3 counties of this state including the city of St. Louis shall
4 annually make a list of all real and tangible personal property
5 taxable in the assessor's city, county, town or district. Except
6 as otherwise provided in subsection 3 of this section and section
7 137.078, the assessor shall annually assess all personal property
8 at thirty-three and one-third percent of its true value in money
9 as of January first of each calendar year. The assessor shall
10 annually assess all real property, including any new construction
11 and improvements to real property, and possessory interests in
12 real property at the percent of its true value in money set in
13 subsection 5 of this section. The assessor shall annually assess
14 all real property in the following manner: new assessed values
15 shall be determined as of January first of each odd-numbered year
16 and shall be entered in the assessor's books; those same assessed
17 values shall apply in the following even-numbered year, except
18 for new construction and property improvements which shall be
19 valued as though they had been completed as of January first of
20 the preceding odd-numbered year. The assessor may call at the
21 office, place of doing business, or residence of each person
22 required by this chapter to list property, and require the person
23 to make a correct statement of all taxable tangible personal
24 property owned by the person or under his or her care, charge or

1 management, taxable in the county. On or before January first of
2 each even-numbered year, the assessor shall prepare and submit a
3 two-year assessment maintenance plan to the county governing body
4 and the state tax commission for their respective approval or
5 modification. The county governing body shall approve and
6 forward such plan or its alternative to the plan to the state tax
7 commission by February first. If the county governing body fails
8 to forward the plan or its alternative to the plan to the state
9 tax commission by February first, the assessor's plan shall be
10 considered approved by the county governing body. If the state
11 tax commission fails to approve a plan and if the state tax
12 commission and the assessor and the governing body of the county
13 involved are unable to resolve the differences, in order to
14 receive state cost-share funds outlined in section 137.750, the
15 county or the assessor shall petition the administrative hearing
16 commission, by May first, to decide all matters in dispute
17 regarding the assessment maintenance plan. Upon agreement of the
18 parties, the matter may be stayed while the parties proceed with
19 mediation or arbitration upon terms agreed to by the parties.
20 The final decision of the administrative hearing commission shall
21 be subject to judicial review in the circuit court of the county
22 involved. In the event a valuation of subclass (1) real property
23 within any county with a charter form of government, or within a
24 city not within a county, is made by a computer,

1 computer-assisted method or a computer program, the burden of
2 proof, supported by clear, convincing and cogent evidence to
3 sustain such valuation, shall be on the assessor at any hearing
4 or appeal. In any such county, unless the assessor proves
5 otherwise, there shall be a presumption that the assessment was
6 made by a computer, computer-assisted method or a computer
7 program. Such evidence shall include, but shall not be limited
8 to, the following:

9 (1) The findings of the assessor based on an appraisal of
10 the property by generally accepted appraisal techniques; and

11 (2) The purchase prices from sales of at least three
12 comparable properties and the address or location thereof. As
13 used in this paragraph, the word "comparable" means that:

14 (a) Such sale was closed at a date relevant to the property
15 valuation; and

16 (b) Such properties are not more than one mile from the
17 site of the disputed property, except where no similar properties
18 exist within one mile of the disputed property, the nearest
19 comparable property shall be used. Such property shall be within
20 five hundred square feet in size of the disputed property, and
21 resemble the disputed property in age, floor plan, number of
22 rooms, and other relevant characteristics.

23 2. Assessors in each county of this state and the city of
24 St. Louis may send personal property assessment forms through the

1 mail.

2 3. The following items of personal property shall each
3 constitute separate subclasses of tangible personal property and
4 shall be assessed and valued for the purposes of taxation at the
5 following percents of their true value in money:

6 (1) Grain and other agricultural crops in an unmanufactured
7 condition, one-half of one percent;

8 (2) Livestock, twelve percent;

9 (3) Farm machinery, twelve percent;

10 (4) Motor vehicles which are eligible for registration as
11 and are registered as historic motor vehicles pursuant to section
12 301.131, RSMo, and aircraft which are at least twenty-five years
13 old and which are used solely for noncommercial purposes and are
14 operated less than fifty hours per year or aircraft that are home
15 built from a kit, five percent;

16 (5) Poultry, twelve percent; and

17 (6) Tools and equipment used for pollution control and
18 tools and equipment used in retooling for the purpose of
19 introducing new product lines or used for making improvements to
20 existing products by any company which is located in a state
21 enterprise zone and which is identified by any standard
22 industrial classification number cited in subdivision (6) of
23 section 135.200, RSMo, twenty-five percent.

24 4. The person listing the property shall enter a true and

1 correct statement of the property, in a printed blank prepared
2 for that purpose. The statement, after being filled out, shall
3 be signed and either affirmed or sworn to as provided in section
4 137.155. The list shall then be delivered to the assessor.

5 5. All subclasses of real property, as such subclasses are
6 established in section 4(b) of article X of the Missouri
7 Constitution and defined in section 137.016, shall be assessed at
8 the following percentages of true value:

9 (1) For real property in subclass (1), nineteen percent;

10 (2) For real property in subclass (2), twelve percent; and

11 (3) For real property in subclass (3), thirty-two percent.

12 6. Manufactured homes, as defined in section 700.010, RSMo,
13 which are actually used as dwelling units shall be assessed at
14 the same percentage of true value as residential real property
15 for the purpose of taxation. The percentage of assessment of
16 true value for such manufactured homes shall be the same as for
17 residential real property. If the county collector cannot
18 identify or find the manufactured home when attempting to attach
19 the manufactured home for payment of taxes owed by the
20 manufactured home owner, the county collector may request the
21 county commission to have the manufactured home removed from the
22 tax books, and such request shall be granted within thirty days
23 after the request is made; however, the removal from the tax
24 books does not remove the tax lien on the manufactured home if it

1 is later identified or found. A manufactured home located in a
2 manufactured home rental park, rental community or on real estate
3 not owned by the manufactured home owner shall be considered
4 personal property. A manufactured home located on real estate
5 owned by the manufactured home owner may be considered real
6 property.

7 7. Each manufactured home assessed shall be considered a
8 parcel for the purpose of reimbursement pursuant to section
9 137.750, unless the manufactured home has been converted to real
10 property in compliance with section 700.111, RSMo, and assessed
11 as a realty improvement to the existing real estate parcel.

12 8. Any amount of tax due and owing based on the assessment
13 of a manufactured home shall be included on the personal property
14 tax statement of the manufactured home owner unless the
15 manufactured home has been converted to real property in
16 compliance with section 700.111, RSMo, in which case the amount
17 of tax due and owing on the assessment of the manufactured home
18 as a realty improvement to the existing real estate parcel shall
19 be included on the real property tax statement of the real estate
20 owner.

21 9. The assessor of each county and each city not within a
22 county shall use the trade-in value published in the October
23 issue of the National Automobile Dealers' Association Official
24 Used Car Guide, or its successor publication, as the recommended

1 guide of information for determining the true value of motor
2 vehicles described in such publication. In the absence of a
3 listing for a particular motor vehicle in such publication, the
4 assessor shall use such information or publications which in the
5 assessor's judgment will fairly estimate the true value in money
6 of the motor vehicle.

7 10. Before the assessor may increase the assessed valuation
8 of any parcel of subclass (1) real property by more than fifteen
9 percent since the last assessment, excluding increases due to new
10 construction or improvements, the assessor shall conduct a
11 physical inspection of such property.

12 11. If a physical inspection is required, pursuant to
13 subsection 10 of this section, the assessor shall notify the
14 property owner of that fact in writing and shall provide the
15 owner clear written notice of the owner's rights relating to the
16 physical inspection. If a physical inspection is required, the
17 property owner may request that an interior inspection be
18 performed during the physical inspection. The owner shall have
19 no less than thirty days to notify the assessor of a request for
20 an interior physical inspection.

21 12. A physical inspection, as required by subsection 10 of
22 this section, shall include, but not be limited to, an on-site
23 personal observation and review of all exterior portions of the
24 land and any buildings and improvements to which the inspector

1 has or may reasonably and lawfully gain external access, and
2 shall include an observation and review of the interior of any
3 buildings or improvements on the property upon the timely request
4 of the owner pursuant to subsection 11 of this section. Mere
5 observation of the property via a "drive-by inspection" or the
6 like shall not be considered sufficient to constitute a physical
7 inspection as required by this section.

8 13. The provisions of subsections 11 and 12 of this section
9 shall only apply in any county with a charter form of government
10 with more than one million inhabitants.

11 14. A county or city collector may accept credit cards as
12 proper form of payment of outstanding property tax due. No
13 county or city collector may charge surcharge for payment by
14 credit card which exceeds the fee or surcharge charged by the
15 credit card bank for its service.

16 15. The provisions of this section and sections 137.073,
17 138.060 and 138.100, RSMo, shall become effective January 1,
18 2003, for any taxing jurisdiction which has at least seventy-five
19 percent of the land area of such jurisdiction within a county
20 with a charter form of government with greater than one million
21 inhabitants, and the provisions of this section and sections
22 137.073, 138.060 and 138.100, RSMo, shall become effective
23 January 1, 2005, for all taxing jurisdictions in this state. Any
24 county in this state may, by an affirmative vote of the governing

1 body of such county, opt into the provisions of this act prior to
2 January 1, 2005.

3 137.298. 1. Other provisions of law to the contrary
4 notwithstanding, any city may by ordinance include as a charge on
5 bills issued for personal property taxes any outstanding parking
6 violations issued on any vehicle for which personal property tax
7 is to be paid and, if required by ordinance, such charge shall be
8 collected with and in the same payment as personal property taxes
9 are collected by the collector of revenue of such city. No
10 personal property tax bill shall be considered paid unless all
11 charges for parking violations are also paid in full and the
12 collector of revenue shall not issue a paid personal property
13 receipt until all such charges are paid.

14 2. Any city or city not within a county may enter into a
15 contract or cooperative agreement with the county governing body
16 and county collector of any county with a charter form of
17 government or any county of the first classification to include
18 as a charge on bills issued for personal property taxes any
19 outstanding vehicle-related fees and fines, including traffic
20 violations, assessed or issued on any vehicle for which personal
21 property tax is to be paid. For the purpose of this section,
22 vehicle-related fees and fines shall include, but not be limited
23 to, traffic violation fines, parking violation fines, towing and
24 vehicle immobilization fees, and any late payment penalties and

1 court costs associated with adjudication or collection of those
2 finances. No personal property tax bill shall be considered paid
3 unless all charges for parking violations and other vehicle-
4 related fees and fines are also paid in full, and the county
5 collector shall not issue a paid personal property tax receipt
6 until all such charges are paid. Any contract or cooperative
7 agreement shall be in writing, signed by the city, county
8 governing body, and county collector, and shall set forth the
9 provisions and terms agreed to by the parties.

10 143.081. 1. A resident individual, resident estate, and
11 resident trust shall be allowed a credit against the tax
12 otherwise due pursuant to sections 143.005 to 143.998 for the
13 amount of any income tax imposed for the taxable year by another
14 state of the United States (or a political subdivision thereof)
15 or the District of Columbia on income derived from sources
16 therein and which is also subject to tax pursuant to sections
17 143.005 to 143.998. [Solely] For purposes of this subsection,
18 the phrase "income tax imposed" shall [include] be that amount of
19 tax before any income tax credit allowed by such other state or
20 the District of Columbia [the basis for which is a charitable
21 contribution which qualifies as a charitable deduction from
22 income pursuant to the Internal Revenue Code of 1986, as amended]
23 if the other state or the District of Columbia authorizes a
24 reciprocal benefit for residents of this state.

1 2. The credit provided pursuant to this section shall not
2 exceed an amount which bears the same ratio to the tax otherwise
3 due pursuant to sections 143.005 to 143.998 as the amount of the
4 taxpayer's Missouri adjusted gross income derived from sources in
5 the other taxing jurisdiction bears to the taxpayer's Missouri
6 adjusted gross income derived from all sources. In applying the
7 limitation of the previous sentence to an estate or trust,
8 Missouri taxable income shall be substituted for Missouri
9 adjusted gross income. If the tax of more than one other taxing
10 jurisdiction is imposed on the same item of income, the credit
11 shall not exceed the limitation that would result if the taxes of
12 all the other jurisdictions applicable to the item were deemed to
13 be of a single jurisdiction.

14 3. For the purposes of this section, in the case of an S
15 corporation, each resident S shareholder shall be considered to
16 have paid a tax imposed on the shareholder in an amount equal to
17 the shareholder's pro rata share of any net income tax paid by
18 the S corporation to a state which does not measure the income of
19 shareholders on an S corporation by reference to the income of
20 the S corporation or where a composite return and composite
21 payments are made in such state on behalf of the S shareholders
22 by the S corporation.

23 4. For purposes of subsection 3 of this section, in the
24 case of an S corporation that is a bank chartered by a state, the

1 office of thrift supervision, or the comptroller of currency,
2 each Missouri resident S shareholder of such out-of-state bank
3 shall qualify for the shareholder's pro rata share of any net tax
4 paid, including a bank franchise tax based on the income of the
5 bank, by such S corporation where bank payment of taxes are made
6 in such state on behalf of the S shareholders by the S bank to
7 the extent of the tax paid.

8 143.121. 1. The Missouri adjusted gross income of a
9 resident individual shall be the taxpayer's federal adjusted
10 gross income subject to the modifications in this section.

11 2. There shall be added to the taxpayer's federal adjusted
12 gross income:

13 (a) The amount of any federal income tax refund received
14 for a prior year which resulted in a Missouri income tax benefit;

15 (b) Interest on certain governmental obligations excluded
16 from federal gross income by Section 103 of the Internal Revenue
17 Code. The previous sentence shall not apply to interest on
18 obligations of the state of Missouri or any of its political
19 subdivisions or authorities and shall not apply to the interest
20 described in subdivision (a) of subsection 3 of this section.

21 The amount added pursuant to this paragraph shall be reduced by
22 the amounts applicable to such interest that would have been
23 deductible in computing the taxable income of the taxpayer except
24 only for the application of Section 265 of the Internal Revenue

1 Code. The reduction shall only be made if it is at least five
2 hundred dollars;

3 (c) The amount of any deduction that is included in the
4 computation of federal taxable income pursuant to Section 168 of
5 the Internal Revenue Code as amended by the Job Creation and
6 Worker Assistance Act of 2002 to the extent the amount deducted
7 relates to property purchased on or after July 1, 2002, but
8 before July 1, 2003, and to the extent the amount deducted
9 exceeds the amount that would have been deductible pursuant to
10 Section 168 of the Internal Revenue Code of 1986 as in effect on
11 January 1, 2002; and

12 (d) The amount of any deduction that is included in the
13 computation of federal taxable income for net operating loss
14 allowed by Section 172 of the Internal Revenue Code of 1986, as
15 amended, other than the deduction allowed by Section 172(b)(1)(G)
16 and Section 172(i) of the Internal Revenue Code of 1986, as
17 amended, for a net operating loss the taxpayer claims in the tax
18 year in which the net operating loss occurred or carries forward
19 for a period of more than twenty years and carries backward for
20 more than two years. Any amount of net operating loss taken
21 against federal taxable income [taxes] but disallowed [against]
22 for Missouri income [taxes] tax purposes pursuant to this
23 paragraph [since July 1,] after June 18, 2002, may be carried
24 forward and taken against any [loss] income on the Missouri

1 income tax return for a period of not more than twenty years from
2 the year of the initial loss.

3 3. There shall be subtracted from the taxpayer's federal
4 adjusted gross income the following amounts to the extent
5 included in federal adjusted gross income:

6 (a) Interest or dividends on obligations of the United
7 States and its territories and possessions or of any authority,
8 commission or instrumentality of the United States to the extent
9 exempt from Missouri income taxes pursuant to the laws of the
10 United States. The amount subtracted pursuant to this paragraph
11 shall be reduced by any interest on indebtedness incurred to
12 carry the described obligations or securities and by any expenses
13 incurred in the production of interest or dividend income
14 described in this paragraph. The reduction in the previous
15 sentence shall only apply to the extent that such expenses
16 including amortizable bond premiums are deducted in determining
17 the taxpayer's federal adjusted gross income or included in the
18 taxpayer's Missouri itemized deduction. The reduction shall only
19 be made if the expenses total at least five hundred dollars;

20 (b) The portion of any gain, from the sale or other
21 disposition of property having a higher adjusted basis to the
22 taxpayer for Missouri income tax purposes than for federal income
23 tax purposes on December 31, 1972, that does not exceed such
24 difference in basis. If a gain is considered a long-term capital

1 gain for federal income tax purposes, the modification shall be
2 limited to one-half of such portion of the gain;

3 (c) The amount necessary to prevent the taxation pursuant
4 to this chapter of any annuity or other amount of income or gain
5 which was properly included in income or gain and was taxed
6 pursuant to the laws of Missouri for a taxable year prior to
7 January 1, 1973, to the taxpayer, or to a decedent by reason of
8 whose death the taxpayer acquired the right to receive the income
9 or gain, or to a trust or estate from which the taxpayer received
10 the income or gain;

11 (d) Accumulation distributions received by a taxpayer as a
12 beneficiary of a trust to the extent that the same are included
13 in federal adjusted gross income;

14 (e) The amount of any state income tax refund for a prior
15 year which was included in the federal adjusted gross income;

16 (f) The portion of capital gain specified in section
17 135.357, RSMo, that would otherwise be included in federal
18 adjusted gross income; [and]

19 (g) The amount that would have been deducted in the
20 computation of federal taxable income pursuant to Section 168 of
21 the Internal Revenue Code as in effect on January 1, 2002, to the
22 extent that amount relates to property purchased on or after July
23 1, 2002, but before July 1, 2003, and to the extent that amount
24 exceeds the amount actually deducted pursuant to Section 168 of

1 the Internal Revenue Code as amended by the Job Creation and
2 Worker Assistance Act of 2002; and

3 (h) For all tax years ending on or after July 1, 2002, with
4 respect to qualified property that is sold or otherwise disposed
5 of during a taxable year by a taxpayer and for which an addition
6 modification was made under paragraph (c) of subsection 2 of this
7 section, the amount by which addition modification made under
8 paragraph (c) of subsection 2 of this section on qualified
9 property has not been recovered through the additional
10 subtractions provided in paragraph (g) of this subsection.

11 4. There shall be added to or subtracted from the
12 taxpayer's federal adjusted gross income the taxpayer's share of
13 the Missouri fiduciary adjustment provided in section 143.351.

14 5. There shall be added to or subtracted from the
15 taxpayer's federal adjusted gross income the modifications
16 provided in section 143.411.

17 143.241. 1. Every employer required to deduct and withhold
18 tax under sections 143.011 to 143.996 is hereby made liable for
19 such tax. For purposes of assessment and collection, any amount
20 required to be withheld and paid over to the director of revenue,
21 and any penalties, interest, and additions to tax with respect
22 thereto, shall be considered the tax of the employer. Any amount
23 of tax actually deducted and withheld under sections 143.011 to
24 143.996 shall be a special fund in trust for the director of

1 revenue. No employee shall have any right of action against his
2 employer in respect to any money deducted and withheld from his
3 wages and paid over to the director of revenue in compliance or
4 in good faith compliance with sections 143.011 to 143.996.

5 2. Any officer, director, statutory trustee or employee of
6 any corporation, including administratively dissolved
7 corporations, or foreign corporations that have had their
8 certificate of authority revoked, subject to the provisions of
9 sections 143.191 to 143.265, who has the direct control,
10 supervision or responsibility for filing returns and making
11 payment of the amount of tax imposed in accordance with sections
12 143.191 to 143.265, and who fails to file [and] or pay such
13 return with the director of revenue shall be personally assessed
14 for such amounts, including interest, additions to tax and
15 penalties thereon. This assessment shall be imposed only in the
16 event that the assessment on the corporation is final, and such
17 corporation fails to pay such amounts to the director of revenue.
18 Notice shall be given of the director of revenue's intent to make
19 the assessment against such officers, directors, statutory
20 trustees or employees. The personal liability of such officers,
21 directors, statutory trustees or employees as provided in this
22 section shall survive the administrative dissolution of the
23 corporation or, if a foreign corporation, the revocation of the
24 corporation's certificate of authority.

1 3. If any employer required to withhold and remit tax under
2 sections 143.191 to 143.265 or his successors shall sell all or
3 substantially all of his or their business or shall quit the
4 business, such employer or successor shall file a final return
5 within fifteen days after the date of selling or quitting
6 business.

7 4. If any employer required to withhold and remit tax under
8 sections 143.191 to 143.265 or his successors shall contract to
9 sell all or substantially all of his or their business, the
10 seller shall request from the director of revenue a statement or
11 certificate as provided in subsection 6 of this section. The
12 seller shall present such statement or certificate to the
13 purchaser prior to consummation of the sale and secure the
14 purchaser's signature thereon as validation of receipt. Failure
15 to comply with this provision shall result in the seller being
16 liable for an additional penalty equal to twenty-five percent of
17 the seller's delinquency at the time of the sale. The provisions
18 of this section to the contrary notwithstanding, this additional
19 penalty shall be the sole liability of the seller and shall not
20 be a liability of the purchaser.

21 5. Except as provided in subsections 6, 7, and 8 of this
22 section, all successors, if any, shall be required to withhold an
23 amount of the purchase money sufficient to cover the taxes,
24 interest, additions to tax or penalties due and unpaid until such

1 time as the former owner or predecessor, whether immediate or
2 not, shall produce a receipt from the director of revenue showing
3 that the taxes have been paid, or a certificate stating that no
4 taxes are due. If the purchaser of a business shall fail to
5 withhold the purchase money as required by this section and remit
6 at the time of purchase all amounts so withheld to the director
7 to pay all unpaid taxes, interest, additions to tax and penalties
8 due from the former owner or predecessor, the purchaser shall be
9 personally liable for the payment of the taxes, interest,
10 additions to tax and penalties accrued and unpaid by the former
11 owner of the business.

12 6. The director of revenue shall, notwithstanding the
13 provisions of section 32.057, RSMo, upon written request, furnish
14 within fifteen days from the receipt of such a request by
15 certified mail, return receipt requested, or such other methods
16 as may be mutually agreed upon, to any owner, successor, secured
17 creditor, purchaser, or in the case of a proposed purchaser, if
18 joined in writing by the owner, a statement showing the amount of
19 taxes, interest, additions to tax or penalties due and owing or a
20 certificate showing that no taxes, interest, additions to tax or
21 penalties are due under this chapter, including the date for the
22 last payment for such taxes, interest, additions to tax or
23 penalties as shown by the records of the director of revenue.

24 7. A secured creditor who shall enforce a lien against a

1 business subject to the provisions of this chapter shall be
2 entitled to obtain from the director of revenue a statement of
3 employer withholding tax due and the status of the employer
4 withholding tax payments from the director of revenue in
5 accordance with subsection 6 of this section. If the director of
6 revenue does not respond within fifteen days from the date of
7 receipt of such request by the secured creditor seeking to
8 enforce its lien, it shall be conclusively presumed that all such
9 employer withholding tax has been paid as to the secured creditor
10 or any successor of the secured creditor, whether such successor
11 be immediate or not. Nothing in this section shall eliminate the
12 liability of the owner of the business owing employer withholding
13 tax from the liability to pay such employer withholding tax. Any
14 purchaser who acquires the business as a result of an enforcement
15 action by a creditor shall be exempt from the liability set forth
16 in subsection 5 of this section, whether such purchaser be
17 immediate or subsequent thereto.

18 8. Any such creditor who shall enforce a lien against a
19 business subject to the provisions of this section shall be
20 entitled to be paid the principal sums due, all accrued interest
21 to the date of the payment, and the expenses of enforcing the
22 lien of the secured creditor including attorney's fees. The
23 balance, if any, shall be paid to the creditors having a priority
24 interest thereto under the laws of the state of Missouri or the

1 United States of America. Any balance then remaining, up to the
2 amount of the tax, interest, additions to tax and penalties then
3 due, shall be remitted to the director of revenue as provided by
4 this section. Nothing in this section shall affect the priority
5 of any lien filed by the director of revenue against the former
6 owner or predecessor.

7 9. Mailing of notices or requests, by first class mail,
8 postage prepaid, certified with return receipt requested, or such
9 other methods as may be mutually agreed upon, shall be prima
10 facie evidence that the party to whom it is addressed received
11 the correspondence, notice or request.

12 143.431. 1. The Missouri taxable income of a corporation
13 taxable under sections 143.011 to 143.996 shall be so much of its
14 federal taxable income for the taxable year, with the
15 modifications specified in subsections 2 [and 3] to 4 of this
16 section, as is derived from sources within Missouri as provided
17 in section 143.451. The tax of a corporation shall be computed
18 on its Missouri taxable income at the rates provided in section
19 143.071.

20 2. There shall be added to or subtracted from federal
21 taxable income, the modifications to adjusted gross income
22 provided in section 143.121 and the applicable modifications to
23 itemized deductions provided in section 143.141. There shall be
24 subtracted the federal income tax deduction provided in section

1 143.171. There shall be subtracted, to the extent included in
2 federal taxable income, corporate dividends from sources within
3 Missouri.

4 3. (1) If an affiliated group of corporations files a
5 consolidated income tax return for the taxable year for federal
6 income tax purposes and fifty percent or more of its income is
7 derived from sources within this state as determined in
8 accordance with section 143.451, then it may elect to file a
9 Missouri consolidated income tax return. The federal
10 consolidated taxable income of the electing affiliated group for
11 the taxable year shall be its federal taxable income.

12 (2) So long as a federal consolidated income tax return is
13 filed, an election made by an affiliated group of corporations to
14 file a Missouri consolidated income tax return may be withdrawn
15 or revoked only upon substantial change in the law or regulations
16 adversely changing tax liability under this chapter; or, with
17 permission of the director of revenue upon the showing of good
18 cause for such action. After such a withdrawal or revocation
19 with respect to an affiliated group, it may not file a Missouri
20 consolidated income tax return for five years thereafter, except
21 with the approval of the director of revenue, and subject to such
22 terms and conditions as he may prescribe.

23 (3) No corporation which is part of an affiliated group of
24 corporations filing a Missouri consolidated income tax return

1 shall be required to file a separate Missouri corporate income
2 tax return for the taxable year.

3 (4) For each taxable year an affiliated group of
4 corporations filing a federal consolidated income tax return does
5 not file a Missouri consolidated income tax return, for purposes
6 of computing the Missouri income tax, the federal taxable income
7 of each member of the affiliated group shall be determined as if
8 a separate federal income tax return had been filed by each such
9 member.

10 (5) The director of revenue may prescribe such regulations
11 not inconsistent with the provisions of this chapter as he may
12 deem necessary in order that the tax liability of any affiliated
13 group of corporations making a Missouri consolidated income tax
14 return, and of each corporation in the group, before, during, and
15 after the period of affiliation, may be returned, determined,
16 computed, assessed, collected, and adjusted, in such manner as
17 clearly to reflect the Missouri taxable income derived from
18 sources within this state and in order to prevent avoidance of
19 such tax liability.

20 4. If a net operating loss deduction is allowed for the
21 taxable year, there shall be added to federal taxable income the
22 amount of the net operating loss modification for each loss year
23 as to which a portion of the net operating loss deduction is
24 attributable. As used in this subsection, the following terms

1 mean:

2 (1) "Loss year", the taxable year in which there occurs a
3 federal net operating loss that is carried back or carried
4 forward in whole or in part to another taxable year;

5 (2) "Net operating loss deduction", a net operating loss
6 deduction allowed for federal income tax purposes under Section
7 172 of the Internal Revenue Code of 1986, as amended or a net
8 operating loss deduction allowed for Missouri income tax purposes
9 under paragraph (d) of subsection 2 of section 143.121, but not
10 including any net operating loss deduction that is allowed for
11 federal income tax purposes but disallowed for Missouri income
12 tax purposes under paragraph (d) of subsection 2 of section
13 143.121;

14 (3) "Net addition modification", for any taxable year, the
15 amount by which the sum of all required additions to federal
16 taxable income provided in this chapter, except for the net
17 operating loss modification, exceeds the combined sum of the
18 amount of all required subtractions from federal taxable income
19 provided in this chapter;

20 (4) "Net operating loss modification", an amount equal to
21 the lesser of the amount of the net operating loss deduction
22 attributable to that loss year or the amount by which the total
23 net operating loss in the loss year is less than the sum of:

24 (a) The net addition modification for that loss year; and

1 (b) The cumulative net operating loss deductions
2 attributable to that loss year allowed for the taxable year and
3 all prior taxable years.

4 5. For all tax years ending on or after July 1, 2002,
5 federal taxable income may be a positive or negative amount.
6 Subsection 4 of this section shall be effective for all tax years
7 with a net operating loss deduction attributable to a loss year
8 ending on or after July 1, 2002, and the net operating loss
9 modification shall only apply to loss years ending on or after
10 July 1, 2002.

11 143.782. As used in sections 143.782 to 143.788, unless the
12 context clearly requires otherwise, the following terms shall
13 mean and include:

14 (1) "Court", the supreme court, court of appeals, or any
15 circuit court of the state;

16 (2) "Debt", any sum due and legally owed to any state
17 agency which has accrued through contract, subrogation, tort, or
18 operation of law regardless of whether there is an outstanding
19 judgment for that sum, court costs as defined in section 488.010,
20 RSMo, fines and fees owed, or any support obligation which is
21 being enforced by the division of family services on behalf of a
22 person who is receiving support enforcement services pursuant to
23 section 454.425, RSMo;

24 (3) "Debtor", any individual, sole proprietorship,

1 partnership, corporation or other legal entity owing a debt;

2 (4) "Department", the department of revenue of the state of
3 Missouri;

4 (5) "Refund", the Missouri income tax refund which the
5 department determines to be due any taxpayer pursuant to the
6 provisions of this chapter. The amount of a refund shall not
7 include any senior citizens property tax credit provided by
8 sections 135.010 to 135.035, RSMo, unless such refund is being
9 offset for a delinquency or debt relating to individual income
10 tax or a property tax credit; and

11 (6) "State agency", any department, division, board,
12 commission, office, or other agency of the state of Missouri,
13 including public community college district.

14 144.030. 1. There is hereby specifically exempted from the
15 provisions of sections 144.010 to 144.525 and from the
16 computation of the tax levied, assessed or payable pursuant to
17 sections 144.010 to 144.525 such retail sales as may be made in
18 commerce between this state and any other state of the United
19 States, or between this state and any foreign country, and any
20 retail sale which the state of Missouri is prohibited from taxing
21 pursuant to the Constitution or laws of the United States of
22 America, and such retail sales of tangible personal property
23 which the general assembly of the state of Missouri is prohibited
24 from taxing or further taxing by the constitution of this state.

1 2. There are also specifically exempted from the provisions
2 of the local sales tax law as defined in section 32.085, RSMo,
3 section 238.235, RSMo, and sections 144.010 to 144.525 and
4 144.600 to 144.745 and from the computation of the tax levied,
5 assessed or payable pursuant to the local sales tax law as
6 defined in section 32.085, RSMo, section 238.235, RSMo, and
7 sections 144.010 to 144.525 and 144.600 to 144.745:

8 (1) Motor fuel or special fuel subject to an excise tax of
9 this state, unless all or part of such excise tax is refunded
10 pursuant to section 142.584, RSMo; or upon the sale at retail of
11 fuel to be consumed in manufacturing or creating gas, power,
12 steam, electrical current or in furnishing water to be sold
13 ultimately at retail; or feed for livestock or poultry; or grain
14 to be converted into foodstuffs which are to be sold ultimately
15 in processed form at retail; or seed, limestone or fertilizer
16 which is to be used for seeding, liming or fertilizing crops
17 which when harvested will be sold at retail or will be fed to
18 livestock or poultry to be sold ultimately in processed form at
19 retail; economic poisons registered pursuant to the provisions of
20 the Missouri pesticide registration law (sections 281.220 to
21 281.310, RSMo) which are to be used in connection with the growth
22 or production of crops, fruit trees or orchards applied before,
23 during, or after planting, the crop of which when harvested will
24 be sold at retail or will be converted into foodstuffs which are

1 to be sold ultimately in processed form at retail;

2 (2) Materials, manufactured goods, machinery and parts
3 which when used in manufacturing, processing, compounding,
4 mining, producing or fabricating become a component part or
5 ingredient of the new personal property resulting from such
6 manufacturing, processing, compounding, mining, producing or
7 fabricating and which new personal property is intended to be
8 sold ultimately for final use or consumption; and materials,
9 including without limitation, gases and manufactured goods,
10 including without limitation, slagging materials and firebrick,
11 which are ultimately consumed in the manufacturing process by
12 blending, reacting or interacting with or by becoming, in whole
13 or in part, component parts or ingredients of steel products
14 intended to be sold ultimately for final use or consumption;

15 (3) Materials, replacement parts and equipment purchased
16 for use directly upon, and for the repair and maintenance or
17 manufacture of, motor vehicles, watercraft, railroad rolling
18 stock or aircraft engaged as common carriers of persons or
19 property;

20 (4) Replacement machinery, equipment, and parts and the
21 materials and supplies solely required for the installation or
22 construction of such replacement machinery, equipment, and parts,
23 used directly in manufacturing, mining, fabricating or producing
24 a product which is intended to be sold ultimately for final use

1 or consumption; and machinery and equipment, and the materials
2 and supplies required solely for the operation, installation or
3 construction of such machinery and equipment, purchased and used
4 to establish new, or to replace or expand existing, material
5 recovery processing plants in this state. For the purposes of
6 this subdivision, a "material recovery processing plant" means a
7 facility which converts recovered materials into a new product,
8 or a different form which is used in producing a new product, and
9 shall include a facility or equipment which is used exclusively
10 for the collection of recovered materials for delivery to a
11 material recovery processing plant but shall not include motor
12 vehicles used on highways. For purposes of this section, the
13 terms "motor vehicle" and "highway" shall have the same meaning
14 pursuant to section 301.010, RSMo;

15 (5) Machinery and equipment, and parts and the materials
16 and supplies solely required for the installation or construction
17 of such machinery and equipment, purchased and used to establish
18 new or to expand existing manufacturing, mining or fabricating
19 plants in the state if such machinery and equipment is used
20 directly in manufacturing, mining or fabricating a product which
21 is intended to be sold ultimately for final use or consumption;

22 (6) Tangible personal property which is used exclusively in
23 the manufacturing, processing, modification or assembling of
24 products sold to the United States government or to any agency of

1 the United States government;

2 (7) Animals or poultry used for breeding or feeding
3 purposes;

4 (8) Newsprint, ink, computers, photosensitive paper and
5 film, toner, printing plates and other machinery, equipment,
6 replacement parts and supplies used in producing newspapers
7 published for dissemination of news to the general public;

8 (9) The rentals of films, records or any type of sound or
9 picture transcriptions for public commercial display;

10 (10) Pumping machinery and equipment used to propel
11 products delivered by pipelines engaged as common carriers;

12 (11) Railroad rolling stock for use in transporting persons
13 or property in interstate commerce and motor vehicles licensed
14 for a gross weight of twenty-four thousand pounds or more or
15 trailers used by common carriers, as defined in section 390.020,
16 RSMo, solely in the transportation of persons or property in
17 interstate commerce;

18 (12) Electrical energy used in the actual primary
19 manufacture, processing, compounding, mining or producing of a
20 product, or electrical energy used in the actual secondary
21 processing or fabricating of the product, or a material recovery
22 processing plant as defined in subdivision (4) of this
23 subsection, in facilities owned or leased by the taxpayer, if the
24 total cost of electrical energy so used exceeds ten percent of

1 the total cost of production, either primary or secondary,
2 exclusive of the cost of electrical energy so used or if the raw
3 materials used in such processing contain at least twenty-five
4 percent recovered materials as defined in section 260.200, RSMo.
5 For purposes of this subdivision, "processing" means any mode of
6 treatment, act or series of acts performed upon materials to
7 transform and reduce them to a different state or thing,
8 including treatment necessary to maintain or preserve such
9 processing by the producer at the production facility;

10 (13) Anodes which are used or consumed in manufacturing,
11 processing, compounding, mining, producing or fabricating and
12 which have a useful life of less than one year;

13 (14) Machinery, equipment, appliances and devices purchased
14 or leased and used solely for the purpose of preventing, abating
15 or monitoring air pollution, and materials and supplies solely
16 required for the installation, construction or reconstruction of
17 such machinery, equipment, appliances and devices, and so
18 certified as such by the director of the department of natural
19 resources, except that any action by the director pursuant to
20 this subdivision may be appealed to the air conservation
21 commission which may uphold or reverse such action;

22 (15) Machinery, equipment, appliances and devices purchased
23 or leased and used solely for the purpose of preventing, abating
24 or monitoring water pollution, and materials and supplies solely

1 required for the installation, construction or reconstruction of
2 such machinery, equipment, appliances and devices, and so
3 certified as such by the director of the department of natural
4 resources, except that any action by the director pursuant to
5 this subdivision may be appealed to the Missouri clean water
6 commission which may uphold or reverse such action;

7 (16) Tangible personal property purchased by a rural water
8 district;

9 (17) All amounts paid or charged for admission or
10 participation or other fees paid by or other charges to
11 individuals in or for any place of amusement, entertainment or
12 recreation, games or athletic events, including museums, fairs,
13 zoos and planetariums, owned or operated by a municipality or
14 other political subdivision where all the proceeds derived
15 therefrom benefit the municipality or other political subdivision
16 and do not inure to any private person, firm, or corporation;

17 (18) All sales of insulin and prosthetic or orthopedic
18 devices as defined on January 1, 1980, by the federal Medicare
19 program pursuant to Title XVIII of the Social Security Act of
20 1965, including the items specified in Section 1862(a)(12) of
21 that act, and also specifically including hearing aids and
22 hearing aid supplies and all sales of drugs which may be legally
23 dispensed by a licensed pharmacist only upon a lawful
24 prescription of a practitioner licensed to administer those

1 items, including samples and materials used to manufacture
2 samples which may be dispensed by a practitioner authorized to
3 dispense such samples and all sales of medical oxygen, home
4 respiratory equipment and accessories, hospital beds and
5 accessories and ambulatory aids, all sales of manual and powered
6 wheelchairs, stairway lifts, Braille writers, electronic Braille
7 equipment and, if purchased by or on behalf of a person with one
8 or more physical or mental disabilities to enable them to
9 function more independently, all sales of scooters, reading
10 machines, electronic print enlargers and magnifiers, electronic
11 alternative and augmentative communication devices, and items
12 used solely to modify motor vehicles to permit the use of such
13 motor vehicles by individuals with disabilities or sales of
14 over-the-counter or nonprescription drugs to individuals with
15 disabilities;

16 (19) All sales made by or to religious and charitable
17 organizations and institutions in their religious, charitable or
18 educational functions and activities and all sales made by or to
19 all elementary and secondary schools operated at public expense
20 in their educational functions and activities;

21 (20) All sales of aircraft to common carriers for storage
22 or for use in interstate commerce and all sales made by or to
23 not-for-profit civic, social, service or fraternal organizations,
24 including fraternal organizations which have been declared tax-

1 exempt organizations pursuant to Section 501(c)(8) or (10) of the
2 1986 Internal Revenue Code, as amended, solely in their civic or
3 charitable functions and activities and all sales made to
4 eleemosynary and penal institutions and industries of the state,
5 and all sales made to any private not-for-profit institution of
6 higher education not otherwise excluded pursuant to subdivision
7 (19) of this subsection or any institution of higher education
8 supported by public funds, and all sales made to a state relief
9 agency in the exercise of relief functions and activities;

10 (21) All ticket sales made by benevolent, scientific and
11 educational associations which are formed to foster, encourage,
12 and promote progress and improvement in the science of
13 agriculture and in the raising and breeding of animals, and by
14 nonprofit summer theater organizations if such organizations are
15 exempt from federal tax pursuant to the provisions of the
16 Internal Revenue Code and all admission charges and entry fees to
17 the Missouri state fair or any fair conducted by a county
18 agricultural and mechanical society organized and operated
19 pursuant to sections 262.290 to 262.530, RSMo;

20 (22) All sales made to any private not-for-profit
21 elementary or secondary school, all sales of feed additives,
22 medications or vaccines administered to livestock or poultry in
23 the production of food or fiber, all sales of pesticides used in
24 the production of crops, livestock or poultry for food or fiber,

1 all sales of bedding used in the production of livestock or
2 poultry for food or fiber, all sales of propane or natural gas,
3 electricity or diesel fuel used exclusively for drying
4 agricultural crops, natural gas used in the primary manufacture
5 or processing of fuel ethanol as defined in section 142.028,
6 RSMo, and all sales of farm machinery and equipment, other than
7 airplanes, motor vehicles and trailers. As used in this
8 subdivision, the term "feed additives" means tangible personal
9 property which, when mixed with feed for livestock or poultry, is
10 to be used in the feeding of livestock or poultry. As used in
11 this subdivision, the term "pesticides" includes adjuvants such
12 as crop oils, surfactants, wetting agents and other assorted
13 pesticide carriers used to improve or enhance the effect of a
14 pesticide and the foam used to mark the application of pesticides
15 and herbicides for the production of crops, livestock or poultry.
16 As used in this subdivision, the term "farm machinery and
17 equipment" means new or used farm tractors and such other new or
18 used farm machinery and equipment and repair or replacement parts
19 thereon, and supplies and lubricants used exclusively, solely,
20 and directly for producing crops, raising and feeding livestock,
21 fish, poultry, pheasants, chukar, quail, or for producing milk
22 for ultimate sale at retail and one-half of each purchaser's
23 purchase of diesel fuel therefor which is:

24 (a) Used exclusively for agricultural purposes;

1 (b) Used on land owned or leased for the purpose of
2 producing farm products; and

3 (c) Used directly in producing farm products to be sold
4 ultimately in processed form or otherwise at retail or in
5 producing farm products to be fed to livestock or poultry to be
6 sold ultimately in processed form at retail;

7 (23) Except as otherwise provided in section 144.032, all
8 sales of metered water service, electricity, electrical current,
9 natural, artificial or propane gas, wood, coal or home heating
10 oil for domestic use and in any city not within a county, all
11 sales of metered or unmetered water service for domestic use;

12 (a) "Domestic use" means that portion of metered water
13 service, electricity, electrical current, natural, artificial or
14 propane gas, wood, coal or home heating oil, and in any city not
15 within a county, metered or unmetered water service, which an
16 individual occupant of a residential premises uses for
17 nonbusiness, noncommercial or nonindustrial purposes. Utility
18 service through a single or master meter for residential
19 apartments or condominiums, including service for common areas
20 and facilities and vacant units, shall be deemed to be for
21 domestic use. Each seller shall establish and maintain a system
22 whereby individual purchases are determined as exempt or
23 nonexempt;

24 (b) Regulated utility sellers shall determine whether

1 individual purchases are exempt or nonexempt based upon the
2 seller's utility service rate classifications as contained in
3 tariffs on file with and approved by the Missouri public service
4 commission. Sales and purchases made pursuant to the rate
5 classification "residential" and sales to and purchases made by
6 or on behalf of the occupants of residential apartments or
7 condominiums through a single or master meter, including service
8 for common areas and facilities and vacant units, shall be
9 considered as sales made for domestic use and such sales shall be
10 exempt from sales tax. Sellers shall charge sales tax upon the
11 entire amount of purchases classified as nondomestic use. The
12 seller's utility service rate classification and the provision of
13 service thereunder shall be conclusive as to whether or not the
14 utility must charge sales tax;

15 (c) Each person making domestic use purchases of services
16 or property and who uses any portion of the services or property
17 so purchased for a nondomestic use shall, by the fifteenth day of
18 the fourth month following the year of purchase, and without
19 assessment, notice or demand, file a return and pay sales tax on
20 that portion of nondomestic purchases. Each person making
21 nondomestic purchases of services or property and who uses any
22 portion of the services or property so purchased for domestic
23 use, and each person making domestic purchases on behalf of
24 occupants of residential apartments or condominiums through a

1 single or master meter, including service for common areas and
2 facilities and vacant units, under a nonresidential utility
3 service rate classification may, between the first day of the
4 first month and the fifteenth day of the fourth month following
5 the year of purchase, apply for credit or refund to the director
6 of revenue and the director shall give credit or make refund for
7 taxes paid on the domestic use portion of the purchase. The
8 person making such purchases on behalf of occupants of
9 residential apartments or condominiums shall have standing to
10 apply to the director of revenue for such credit or refund;

11 (24) All sales of handicraft items made by the seller or
12 the seller's spouse if the seller or the seller's spouse is at
13 least sixty-five years of age, and if the total gross proceeds
14 from such sales do not constitute a majority of the annual gross
15 income of the seller;

16 (25) Excise taxes, collected on sales at retail, imposed by
17 Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and
18 4271 of Title 26, United States Code. The director of revenue
19 shall promulgate rules pursuant to chapter 536, RSMo, to
20 eliminate all state and local sales taxes on such excise taxes;

21 (26) Sales of fuel consumed or used in the operation of
22 ships, barges, or waterborne vessels which are used primarily in
23 or for the transportation of property or cargo, or the conveyance
24 of persons for hire, on navigable rivers bordering on or located

1 in part in this state, if such fuel is delivered by the seller to
2 the purchaser's barge, ship, or waterborne vessel while it is
3 afloat upon such river;

4 (27) All sales made to an interstate compact agency created
5 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
6 to 238.100, RSMo, in the exercise of the functions and activities
7 of such agency as provided pursuant to the compact;

8 (28) Computers, computer software and computer security
9 systems purchased for use by architectural or engineering firms
10 headquartered in this state[. For the purposes of this
11 subdivision, "headquartered in this state" means the office for
12 the administrative management of at least four integrated
13 facilities operated by the taxpayer is located in the state of
14 Missouri];

15 (29) All livestock sales when either the seller is engaged
16 in the growing, producing or feeding of such livestock, or the
17 seller is engaged in the business of buying and selling,
18 bartering or leasing of such livestock;

19 (30) All sales of barges which are to be used primarily in
20 the transportation of property or cargo on interstate waterways;

21 (31) Electrical energy or gas, whether natural, artificial
22 or propane, which is ultimately consumed in connection with the
23 manufacturing of cellular glass products;

24 (32) Notwithstanding other provisions of law to the

1 contrary, all sales of pesticides or herbicides used in the
2 production of crops, aquaculture, livestock or poultry;

3 (33) Tangible personal property purchased for use or
4 consumption directly or exclusively in the research and
5 development of prescription pharmaceuticals consumed by humans or
6 animals;

7 (34) All sales of grain bins for storage of grain for
8 resale;

9 (35) All sales of feed which are developed for and used in
10 the feeding of pets owned by a commercial breeder when such sales
11 are made to a commercial breeder, as defined in section 273.325,
12 RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

13 (36) All purchases by a contractor on behalf of an entity
14 located in another state, provided that the entity is authorized
15 to issue a certificate of exemption for purchases to a contractor
16 under the provisions of that state's laws. For purposes of this
17 subdivision, the term "certificate of exemption" shall mean any
18 document evidencing that the entity is exempt from sales and use
19 taxes on purchases pursuant to the laws of the state in which the
20 entity is located. Any contractor making purchases on behalf of
21 such entity shall maintain a copy of the entity's exemption
22 certificate as evidence of the exemption. If the exemption
23 certificate issued by the exempt entity to the contractor is
24 later determined by the director of revenue to be invalid for any

1 reason and the contractor has accepted the certificate in good
2 faith, neither the contractor or the exempt entity shall be
3 liable for the payment of any taxes, interest and penalty due as
4 the result of use of the invalid exemption certificate.

5 Materials shall be exempt from all state and local sales and use
6 taxes when purchased by a contractor for the purpose of
7 fabricating tangible personal property which is used in
8 fulfilling a contract for the purpose of constructing, repairing
9 or remodeling facilities for the following:

10 (a) An exempt entity located in this state, if the entity
11 is one of those entities able to issue project exemption
12 certificates in accordance with the provisions of section
13 144.062; or

14 (b) An exempt entity located outside the state if the
15 exempt entity is authorized to issue an exemption certificate to
16 contractors in accordance with the provisions of that state's law
17 and the applicable provisions of this section;

18 (37) Tangible personal property purchased for use or
19 consumption directly or exclusively in research or
20 experimentation activities performed by life science companies
21 and so certified as such by the director of the department of
22 economic development or the director's designees; except that,
23 the total amount of exemptions certified pursuant to this section
24 shall not exceed one million three hundred thousand dollars in

1 state and local taxes per fiscal year. For purposes of this
2 subdivision, the term "life science companies" means companies
3 whose primary research activities are in agriculture,
4 pharmaceuticals, biomedical or food ingredients, and whose North
5 American Industry Classification System (NAICS) Codes fall under
6 industry 541710 (biotech research or development laboratories),
7 621511 (medical laboratories) or 541940 (veterinary services).
8 The exemption provided by this subdivision shall expire on June
9 30, 2003;

10 (38) All sales or other transfers of tangible personal
11 property to a lessor, who leases the property under a lease of
12 one year or longer executed or in effect at the time of the sale
13 or other transfer, to an interstate compact agency created
14 pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010
15 to 238.100, RSMo.

16 144.083. 1. The director of revenue shall require all
17 persons who are responsible for the collection of taxes under the
18 provisions of section 144.080 to procure a retail sales license
19 at no cost to the licensee which shall be prominently displayed
20 at his place of business, and the license is valid until revoked
21 by the director or surrendered by the person to whom issued when
22 sales are discontinued. The director shall issue the retail
23 sales license within ten working days following the receipt of a
24 properly completed application. Any person applying for a retail

1 sales license or reinstatement of a revoked sales tax license who
2 owes any tax under sections 144.010 to 144.510 or sections
3 143.191 to 143.261, RSMo, must pay the amount due plus interest
4 and penalties before the department may issue the applicant a
5 license or reinstate the revoked license. All persons beginning
6 business subsequent to August 13, 1986, and who are required to
7 collect the sales tax shall secure a retail sales license prior
8 to making sales at retail. Such license may, after ten days'
9 notice, be revoked by the director of revenue only in the event
10 the licensee shall be in default for a period of sixty days in
11 the payment of any taxes levied under section 144.020 or sections
12 143.191 to 143.261, RSMo.

13 2. The possession of a retail sales license shall be a
14 prerequisite to the issuance of any city or county occupation
15 license or any state license which is required for conducting any
16 business where goods are sold at retail. The revocation of a
17 retailer's license by the director shall render the occupational
18 license or the state license null and void.

19 3. No person responsible for the collection of taxes under
20 section 144.080 shall make sales at retail unless such person is
21 the holder of a valid retail sales license. After all appeals
22 have been exhausted, the director of revenue may notify the
23 county or city law enforcement agency representing the area in
24 which the former licensee's business is located that the retail

1 sales license of such person has been revoked, and that any
2 county or city occupation license of such person is also revoked.
3 The county or city may enforce the provisions of this section,
4 and may prohibit further sales at retail by such person.

5 144.157. 1. Any person required to collect, truthfully
6 account for and pay over any tax imposed by sections 67.1170 to
7 67.1180, RSMo, sections 94.800 to 94.825, RSMo, and sections
8 144.010 to 144.525 and 144.600 to 144.745 who willfully fails to
9 collect such tax or truthfully account for and pay over such tax
10 or willfully attempts in any manner to evade or defeat the tax or
11 the payment thereof, or who shall willfully and knowingly
12 overcharge or overcollect such tax with intent to make claim to
13 any such overcharged or overcollected amounts under section
14 144.190, shall, in addition to other penalties provided by law,
15 be liable to a penalty equal to the total amount of the tax
16 evaded, or not collected, or not accounted for and paid over, or
17 overcharged or overcollected.

18 2. For purposes of this section, the term "person" includes
19 an individual or an officer or employee of any corporation,
20 including an administratively dissolved corporation or a foreign
21 corporation that has had its certificate of authority revoked, or
22 a member or employee of any partnership, who, as such officer,
23 employee or member, is under a duty to perform the act in respect
24 of which the violation occurs.

1 3. Any officers, directors, statutory trustees or employees
2 of any corporation, including administratively dissolved
3 corporations or foreign corporations that have had their
4 certificate of authority revoked, subject to the provisions of
5 sections 144.010 to 144.745, who has the direct control,
6 supervision or responsibility for filing returns and making
7 payment of the amount of tax imposed in accordance with
8 sections 144.010 to 144.745, and who fails to file such return
9 [and] or make payment of all taxes due with the director of
10 revenue shall be personally assessed for such amounts, including
11 interest, additions to tax and penalties thereon. This
12 assessment shall be imposed only in the event that the assessment
13 on the corporation is final, and such corporation fails to pay
14 such amounts to the director of revenue. Notice shall be given
15 of the director of revenue's intent to make the assessment
16 against such officers, directors, statutory trustees or
17 employees. The personal liability of such officers, directors,
18 statutory trustees or employees as provided in this section shall
19 survive the administrative dissolution of the corporation or, if
20 a foreign corporation, the revocation of the corporation's
21 certificate of authority.

22 144.615. There are specifically exempted from the taxes
23 levied in sections 144.600 to 144.745:

24 (1) Property, the storage, use or consumption of which this

1 state is prohibited from taxing pursuant to the constitution or
2 laws of the United States or of this state;

3 (2) Property, the gross receipts from the sale of which are
4 required to be included in the measure of the tax imposed
5 pursuant to the Missouri sales tax law;

6 (3) Tangible personal property, the sale or other transfer
7 of which, if made in this state, would be exempt from or not
8 subject to the Missouri sales tax pursuant to the provisions of
9 subsections 2 and 3 of section 144.030;

10 (4) Motor vehicles, trailers, boats, and outboard motors
11 subject to the tax imposed by section 144.440;

12 (5) Tangible personal property which has been subjected to
13 a tax by any other state in this respect to its sales or use;
14 provided, if such tax is less than the tax imposed by sections
15 144.600 to 144.745, such property, if otherwise taxable, shall be
16 subject to a tax equal to the difference between such tax and the
17 tax imposed by sections 144.600 to 144.745;

18 (6) Tangible personal property held by processors,
19 retailers, importers, manufacturers, wholesalers, or jobbers
20 solely for resale in the regular course of business;

21 (7) Personal and household effects and farm machinery used
22 while an individual was a bona fide resident of another state and
23 who thereafter became a resident of this state, or tangible
24 personal property brought into the state by a nonresident for his

1 own storage, use or consumption while temporarily within the
2 state.

3 301.025. 1. No state registration license to operate any
4 motor vehicle in this state shall be issued unless the
5 application for license of a motor vehicle or trailer is
6 accompanied by a tax receipt for the tax year which immediately
7 precedes the year in which the vehicle's or trailer's
8 registration is due and which reflects that all taxes, including
9 delinquent taxes from prior years, have been paid, or a statement
10 certified by the county or township collector of the county or
11 township in which the applicant's property was assessed showing
12 that the state and county tangible personal property taxes for
13 such previous tax year and all delinquent taxes due have been
14 paid by the applicant or that no such taxes were due or, if the
15 applicant is not a resident of this state and serving in the
16 armed forces of the United States, the application is accompanied
17 by a leave and earnings statement from such person verifying such
18 status or, if the applicant is an organization described
19 pursuant to subdivision (5) of section 137.100, RSMo, or
20 subsection 1 of section 137.101, RSMo, the application is
21 accompanied by a document, in a form approved by the director,
22 verifying that the organization is registered with the department
23 of revenue or is determined by the internal revenue service to be
24 a tax-exempt entity. If the director of the department of

1 revenue has been notified by the assessor pursuant to subsection
2 2 of section 137.101, RSMo, that the applicant's personal
3 property is not tax-exempt, then the organization's application
4 shall be accompanied by a statement certified by the county or
5 township collector of the county or township in which the
6 organization's property was assessed showing that the state and
7 county tangible personal property taxes for such previous tax
8 year and all delinquent taxes due have been paid by the

9 organization. In the event the registration is a renewal of a
10 registration made two or three years previously, the application
11 shall be accompanied by proof that taxes were not due or have
12 been paid for the two or three years which immediately precede
13 the year in which the motor vehicle's or trailer's registration
14 is due. The county or township collector shall not be required
15 to issue a receipt for the immediately preceding tax year until
16 all personal property taxes, including all delinquent taxes
17 currently due, are paid. If the applicant was a resident of
18 another county of this state in the applicable preceding years,
19 he or she must submit to the collector in the county or township
20 of residence proof that the personal property tax was paid in the
21 applicable tax years. Every county and township collector shall
22 give each person a tax receipt or a certified statement of
23 tangible personal property taxes paid. The receipt issued by the
24 county collector in any county of the first classification with a

1 charter form of government which contains part of a city with a
2 population of at least three hundred fifty thousand inhabitants
3 which is located in more than one county, any county of the first
4 classification without a charter form of government with a
5 population of at least one hundred fifty thousand inhabitants
6 which contains part of a city with a population of at least three
7 hundred fifty thousand inhabitants which is located in more than
8 one county and any county of the first classification without a
9 charter form of government with a population of at least one
10 hundred ten thousand but less than one hundred fifty thousand
11 inhabitants shall be determined null and void if the person
12 paying tangible personal property taxes issues or passes a check
13 or other similar sight order which is returned to the collector
14 because the account upon which the check or order was drawn was
15 closed or did not have sufficient funds at the time of
16 presentation for payment by the collector to meet the face amount
17 of the check or order. The collector may assess and collect in
18 addition to any other penalty or interest that may be owed, a
19 penalty of ten dollars or five percent of the total amount of the
20 returned check or order whichever amount is greater to be
21 deposited in the county general revenue fund, but in no event
22 shall such penalty imposed exceed one hundred dollars. The
23 collector may refuse to accept any check or other similar sight
24 order in payment of any tax currently owed plus penalty or

1 interest from a person who previously attempted to pay such
2 amount with a check or order that was returned to the collector
3 unless the remittance is in the form of a cashier's check,
4 certified check or money order. If a person does not comply with
5 the provisions of this section, a tax receipt issued pursuant to
6 this section is null and void and no state registration license
7 shall be issued or renewed. Where no such taxes are due each
8 such collector shall, upon request, certify such fact and
9 transmit such statement to the person making the request. Each
10 receipt or statement shall describe by type the total number of
11 motor vehicles on which personal property taxes were paid, and no
12 renewal of any state registration license shall be issued to any
13 person for a number greater than that shown on his or her tax
14 receipt or statement except for a vehicle which was purchased
15 without another vehicle being traded therefor, or for a vehicle
16 previously registered in another state, provided the application
17 for title or other evidence shows that the date the vehicle was
18 purchased or was first registered in this state was such that no
19 personal property tax was owed on such vehicle as of the date of
20 the last tax receipt or certified statement prior to the renewal.
21 The director of revenue shall make necessary rules and
22 regulations for the enforcement of this section, and shall design
23 all necessary forms. If electronic data is not available,
24 residents of counties with a township form of government and with

1 township collectors shall present personal property tax receipts
2 which have been paid for the preceding two years when registering
3 under this section.

4 2. Every county collector in counties with a population of
5 over six hundred thousand and less than nine hundred thousand
6 shall give priority to issuing tax receipts or certified
7 statements pursuant to this section for any person whose motor
8 vehicle registration expires in January. Such collector shall
9 send tax receipts or certified statements for personal property
10 taxes for the previous year within three days to any person who
11 pays the person's personal property tax in person, and within
12 twenty working days, if the payment is made by mail. Any person
13 wishing to have priority pursuant to this subsection shall notify
14 the collector at the time of payment of the property taxes that a
15 motor vehicle registration expires in January. Any person
16 purchasing a new vehicle in December and licensing such vehicle
17 in January of the following year, may use the personal property
18 tax receipt of the prior year as proof of payment.

19 3. In addition to all other requirements, the director of
20 revenue shall not register any vehicle subject to the heavy
21 vehicle use tax imposed by Section 4481 of the Internal Revenue
22 Code of 1954 unless the applicant presents proof of payment, or
23 that such tax is not owing, in such form as may be prescribed by
24 the United States Secretary of the Treasury. No proof of payment

1 of such tax shall be required by the director until the form for
2 proof of payment has been prescribed by the Secretary of the
3 Treasury.

4 4. Beginning July 1, 2000, a county or township collector
5 may notify, by ordinary mail, any owner of a motor vehicle for
6 which personal property taxes have not been paid that if full
7 payment is not received within thirty days the collector may
8 notify the director of revenue to suspend the motor vehicle
9 registration for such vehicle. Any notification returned to the
10 collector by the post office shall not result in the notification
11 to the director of revenue for suspension of a motor vehicle
12 registration. Thereafter, if the owner fails to timely pay such
13 taxes the collector may notify the director of revenue of such
14 failure. Such notification shall be on forms designed and
15 provided by the department of revenue and shall list the motor
16 vehicle owner's full name, including middle initial, the owner's
17 address, and the year, make, model and vehicle identification
18 number of such motor vehicle. Upon receipt of this notification
19 the director of revenue may provide notice of suspension of motor
20 vehicle registration to the owner at the owner's last address
21 shown on the records of the department of revenue. Any
22 suspension imposed may remain in effect until the department of
23 revenue receives notification from a county or township collector
24 that the personal property taxes have been paid in full. Upon

1 the owner furnishing proof of payment of such taxes and paying a
2 twenty dollar reinstatement fee to the director of revenue the
3 motor vehicle or vehicles registration shall be reinstated. In
4 the event a motor vehicle registration is suspended for
5 nonpayment of personal property tax the owner so aggrieved may
6 appeal to the circuit court of the county of his or her residence
7 for review of such suspension at any time within thirty days
8 after notice of motor vehicle registration suspension. Upon such
9 appeal the cause shall be heard de novo in the manner provided by
10 chapter 536, RSMo, for the review of administrative decisions.
11 The circuit court may order the director to reinstate such
12 registration, sustain the suspension of registration by the
13 director or set aside or modify such suspension. Appeals from
14 the judgment of the circuit court may be taken as in civil cases.
15 The prosecuting attorney of the county where such appeal is taken
16 shall appear in behalf of the director, and prosecute or defend,
17 as the case may require.

18 5. Any rule or portion of a rule, as that term is defined
19 in section 536.010, RSMo, that is created under the authority
20 delegated in this section shall become effective only if it
21 complies with and is subject to all of the provisions of chapter
22 536, RSMo, and, if applicable, section 536.028, RSMo. This
23 section and chapter 536, RSMo, are nonseverable and if any of the
24 powers vested with the general assembly pursuant to chapter 536,

1 RSMo, to review, to delay the effective date or to disapprove and
2 annul a rule are subsequently held unconstitutional, then the
3 grant of rulemaking authority and any rule proposed or adopted
4 after August 28, 2000, shall be invalid and void.

5 644.032. 1. The governing body of any municipality or
6 county may impose, by ordinance or order, a sales tax in an
7 amount not to exceed one-half of one percent on all retail sales
8 made in such municipality or county which are subject to taxation
9 under the provisions of sections 144.010 to 144.525, RSMo. The
10 tax authorized by this section and section 644.033 shall be in
11 addition to any and all other sales taxes allowed by law, except
12 that no ordinance or order imposing a sales tax under the
13 provisions of this section and section 644.033 shall be effective
14 unless the governing body of the municipality or county submits
15 to the voters of the municipality or county, at a municipal,
16 county or state general, primary or special election, a proposal
17 to authorize the governing body of the municipality or county to
18 impose a tax, provided, that the tax authorized by this section
19 shall not be imposed on the sales of food, as defined in section
20 144.014, RSMo, when imposed by any county with a charter form of
21 government and with more than one million inhabitants.

22 2. The ballot of submission shall contain, but need not be
23 limited to, the following language:

24 Shall the municipality (county) of impose a

1 sales tax of (insert amount) for the purpose of
2 providing funding for (insert either storm water
3 control, or local parks, or storm water control and local parks)
4 for the municipality (county)?

5 [] YES

[] NO

6 If a majority of the votes cast on the proposal by the qualified
7 voters voting thereon are in favor of the proposal, then the
8 ordinance or order and any amendments thereto shall be in effect
9 on the first day of the second quarter after the director of
10 revenue receives notice of adoption of the tax. If a majority of
11 the votes cast by the qualified voters voting are opposed to the
12 proposal, then the governing body of the municipality or county
13 shall not impose the sales tax authorized in this section and
14 section 644.033 until the governing body of the municipality or
15 county resubmits another proposal to authorize the governing body
16 of the municipality or county to impose the sales tax authorized
17 by this section and section 644.033 and such proposal is approved
18 by a majority of the qualified voters voting thereon; however, in
19 no event shall a proposal pursuant to this section and section
20 644.033 be submitted to the voters sooner than twelve months from
21 the date of the last proposal pursuant to this section and
22 section 644.033.

23 3. All revenue received by a municipality or county from

1 the tax authorized under the provisions of this section and
2 section 644.033 shall be deposited in a special trust fund and
3 shall be used to provide funding for storm water control or for
4 local parks, or both, within such municipality or county,
5 provided that such revenue may be used for local parks outside
6 such municipality or county if the municipality or county is
7 engaged in a cooperative agreement pursuant to section 70.220,
8 RSMo.

9 4. Any funds in such special trust fund which are not
10 needed for current expenditures may be invested by the governing
11 body in accordance with applicable laws relating to the
12 investment of other municipal or county funds.

13 Section 1. 1. "Public entity", as used in this section,
14 shall mean the board of fund commissioners of the state and the
15 state board of public buildings.

16 2. Any public entity as defined in subsection 1 of this
17 section may:

18 (1) Execute and perform any obligations under any
19 instruments, contracts, or agreements convenient or necessary to
20 incur obligations with interest calculated at a fixed or variable
21 rate; and

22 (2) Obtain without any requirement for bidding, but with
23 compliance with the public entity's policies, credit enhancement
24 or other financing arrangements and execute and perform any

1 obligations under any related contracts and agreements convenient
2 or necessary to facilitate such enhancement or financing
3 arrangements including but not limited to arrangements such as
4 municipal bond insurance; surety bonds; liquidity facilities;
5 forward agreements; tender agreements; remarketing agreements;
6 option agreements; interest rate swap, exchange, cap, lock or
7 floor agreements; letters of credit; and purchase agreements.

8 3. All financial arrangements entered into under the
9 provisions of this section shall be fully enforceable as valid
10 and binding contracts as and to the extent provided herein and by
11 other applicable law.

12 4. Nothing in this section shall be applied or interpreted
13 to diminish the power any public entity may otherwise have under
14 any other provisions of law.

15 [135.750. 1. Beginning January 1,
16 1999, a taxpayer shall be granted a tax
17 credit against the tax otherwise due pursuant
18 to chapter 143, RSMo, excluding withholding
19 tax imposed by sections 143.191 to 143.261,
20 RSMo, or chapter 148, RSMo, for up to fifty
21 percent of the amount of investment in
22 production or production-related activities
23 in a qualified film production project. As
24 used in this section, the term "taxpayer"
25 means an individual, a partnership, or a
26 corporation as described in section 143.441,
27 143.471, RSMo, or section 148.370, RSMo, and
28 the term "qualified film production project"
29 means any film production project with an
30 expected in-state expenditure budget in
31 excess of three hundred thousand dollars.
32 Each film production company shall be limited
33 to one qualified film production project per
34 year. Activities qualifying a taxpayer for

1 the tax credit pursuant to this subsection
2 shall be approved by the office of the
3 Missouri film commission and the department
4 of economic development.

5 2. Taxpayers shall apply for the film
6 production tax credit by submitting an
7 application to the department of economic
8 development, on a form provided by the
9 department. As part of the application, the
10 expected in-state expenditures of the
11 qualified film production project shall be
12 documented. In addition, the application
13 shall include an economic impact statement,
14 showing the economic impact from the
15 activities of the film production project.
16 Such economic impact statement shall indicate
17 the impact on the region of the state in
18 which the film production or
19 production-related activities are located and
20 on the state as a whole.

21 3. Tax credits certified pursuant to
22 subsection 1 of this section shall not exceed
23 five hundred thousand dollars per taxpayer
24 per year, and shall not exceed a total for
25 all tax credits certified of one million
26 dollars per year. Taxpayers may carry
27 forward unused credits for up to five tax
28 periods, provided all such credits shall be
29 claimed within ten tax periods following the
30 tax period in which the film production or
31 production-related activities for which the
32 credits are certified by the department
33 occurred.

34 4. Notwithstanding any provision of law
35 to the contrary, any taxpayer may sell,
36 assign, exchange, convey or otherwise
37 transfer tax credits allowed in subsection 1
38 of this section. The taxpayer acquiring the
39 tax credits may use the acquired credits to
40 offset the tax liabilities otherwise imposed
41 by chapter 143, RSMo, excluding withholding
42 tax imposed by sections 143.191 to 143.261,
43 RSMo, or chapter 148, RSMo. Unused acquired
44 credits may be carried forward for up to five
45 tax periods, provided all such credits shall
46 be claimed within ten tax periods following
47 the tax period in which the film production
48 or production-related activities for which

1 the credits are certified by the department
2 occurred.]

3 Section B. The enactment of section 137.078 and the repeal
4 and reenactment of section 143.081 of section A of this act shall
5 become effective January 1, 2005.

6 Section C. Because immediate action is necessary to protect
7 the economic welfare of the citizens of this state, the repeal
8 and reenactment of sections 137.100, 144.030, and 144.615 of
9 section A of this act is deemed necessary for the immediate
10 preservation of the public health, welfare, peace, and safety,
11 and is hereby declared to be an emergency act within the meaning
12 of the constitution, and the repeal and reenactment of sections
13 137.100, 144.030, and 144.615 of section A of this act shall be
14 in full force and effect upon its passage and approval.